

DEPARTMENT OF STATE REVENUE

LETTER OF FINDINGS NUMBER: 00-0309P

**Sales and Use Tax
Calendar Years 1995, 1996, 1997**

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ISSUE(S)

I. **Tax Administration** – Penalty

Authority: IC 6-8.1-10-2.1(d); 45 IAC 15-11-2

Taxpayer protests the penalty assessed.

STATEMENT OF FACTS

Taxpayer protests the penalty assessed on a supplemental audit completed on June 6, 2000.

Taxpayer was assessed a negligence penalty because it failed to have a use tax accrual system in place. Taxpayer also failed to charge, collect, and remit sales tax for the sales of cleaning products.

I. **Tax Administration** – Penalty

DISCUSSION

At issue is whether the taxpayer was negligent in failing to remit use tax due.

Taxpayer failed to remit use tax on clearly taxable items and had no use tax accrual system in place.

Taxpayer states that it was unaware of Indiana Use Tax Regulations prior to the audit and has established a program of sales/use tax training for its divisions. Due to the lack of awareness of Indiana use tax rules, not intentional disregard of such rules, it requests an abatement of penalties.

Taxpayer has not provided reasonable cause for failing to comply with Indiana Sales and Use Tax

statutes. Failure to make itself aware of Indiana tax laws when doing business in the state is considered negligence.

FINDING

Taxpayer's protest is denied.